

Knowledge Sharing and National Culture: A Comparison Between China and Russia

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**KNOWLEDGE SHARING AND NATIONAL CULTURE:
A COMPARISON BETWEEN CHINA AND RUSSIA**

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ABSTRACT

Much of the knowledge management literature tends to assume a rather universalist understanding of knowledge sharing. Yet, attitudes to knowledge sharing as well as actual knowledge-sharing behaviour depend on conditions that vary across institutional and cultural environments. This paper contributes to the knowledge-sharing literature by specifically discussing the interplay between knowledge-sharing and national cultural factors in the context of transition countries. The paper engages in a comparative examination of two major transition societies, China and Russia, and contributes to understanding the complexity of differences between transition economies. The paper is written as a set of theoretical arguments and propositions that is designed to elucidate more nuanced ways of thinking about knowledge sharing in China and Russia. We argue that in the case of China and Russia, vertical individualism and particularist social relations facilitate knowledge sharing. We also maintain that there are important differences between China and Russia in terms of motivation for knowledge sharing and propose that the differences between the two countries in terms of origins of collectivism and degree of collectivism impact on knowledge sharing in organisations in these two countries. Research and management implications are also outlined.

Keywords: China, knowledge sharing, national culture, Russia

INTRODUCTION

Much of the knowledge management literature tends to assume a rather universalist understanding of knowledge sharing. Yet, attitudes to knowledge sharing as well as actual knowledge-sharing behaviour depend on conditions that vary across cultural and institutional contexts. Holden (2002) argued that knowledge management operates in a kind of a vacuum, in which *cultural* diversity is compressed into one giant independent variable, which does not allow for the influence of cultural factors to be approached as variables in understanding attitudes and approaches to knowledge sharing. Further, Lam (2000) maintained that the ability of an organisation to harness knowledge is influenced by broader *societal and institutional* factors.

There are a number of issues that make the process of knowledge sharing complex. First, it can be argued that knowledge is created by individuals (Grant, 1996) and is developed from the local level (Lave 1988; Orr 1990), i.e. knowledge sharing is embedded in a certain cognitive and behavioural context. Without understanding the context, one cannot inquire into the reasoning and the assumptions behind the particular piece of knowledge. Second, it has been argued that knowledge resides in people's minds where it tends to be more tacit than well articulated (Gersick and Hackman, 1990; Leonard-Barton, 1992). Yet, while this separation in the typology should not be interpreted as implying that tacit knowledge can be rigidly compartmentalised in the real world (Brown and Woodland, 1999), Polanyi (1966: 6) has pointed out that tacit knowledge is an integrating force that binds and shapes all knowledge (Brown and Duguid, 1991; Hansen et al., 1999). Third, knowledge is asymmetrically distributed in any organisation. Often those who possess knowledge are inclined not to invest resources to share knowledge without an expectation of reciprocity, as these resources are finite and scarce (Davenport and Prusak, 1998; O'Dell and Grayson, 1998). Thus, both society and organisations face the problem of how to use widely dispersed knowledge, and, therefore, how to extend the span of utilisation of resources in a way that exceeds the span of control of any one mind (Tsoukas, 1996). Fourth, knowledge sharing is voluntary (Dixon, 2002). It depends on the willingness of individuals to identify the knowledge they possess and to share it when required (Nonaka, 1994). Knowledge sharing involves commitment from both transmitter and receiver. If the potential knowledge transmitter is not aware that someone in the organisation may be interested in the knowledge s/he possesses, s/he will not actively participate in sharing this knowledge. Similarly, if the potential receiver is not aware of the existence of a particular piece of knowledge, it is unlikely that s/he will seek it (Bouty, 2000). Fifth, as human behaviour is inherently opportunistic, adverse selection and moral hazard may influence the individual's motivation to share knowledge in a negative manner. The provider needs to trust that the receiver will not exploit the shared knowledge for purposes other than those agreed upon, implicitly as well as explicitly (Bouty, 2000). Finally, an individual's ability to appreciate new knowledge is a function of their "absorptive capacity" (Cohen and Levinthal, 1990). Related to this, von Krogh et al. (2000) describe people as dealing with twin processes of assimilation and accommodation. Assimilation, in this respect, refers to the process of integrating input from the environment into one's existing experiences. When individuals encounter new situations for which they have no ready or clear responses, accommodation dominates instead; a process by which people give meaning to new input, distinguishing it as

something that lies beyond what they already know. When accommodation becomes too challenging, individual barriers to appreciating new knowledge appear.

The aforementioned issues in knowledge sharing are thoroughly discussed in the knowledge-sharing literature. Yet, an issue that has been erstwhile under-explored is how knowledge sharing is influenced by national culture, particularly in the context of transition economies. In addressing this gap in the literature, we examine the research question: How is knowledge sharing in Chinese and Russian organisations influenced by distinctive national cultural attributes? We utilise a definition of “knowledge” as “a fluid mix of framed experience, values, contextual information, and expert insight that provides a framework for evaluating and incorporating new experiences and information” (Davenport and Prusak, 1998: 5). We take “knowledge sharing” to mean providing one’s knowledge to others as well as receiving knowledge from others (Davenport and Prusak, 1998).

In addressing our research question, we engage in a comparative examination of China and Russia in terms of national cultural characteristics so as to analyse how Chinese and Russians are distinct in their knowledge sharing. For this purpose we introduce a group-level analysis. An analysis of group membership and group dynamics offers a good link between the macro and the individual level as well as providing several findings to guide our proposition development. As will be demonstrated throughout the paper, the distinction between in-groups and out-groups proves particularly important in the Chinese and Russian cultural contexts. Accordingly, the following section introduces some of the literature about in-groups and out-groups. This is followed by an overall comparative examination of China and Russia. We then discuss similarities and differences between the two countries, particularly in respect to individualism-collectivism and universalism-particularism and develop propositions about how knowledge sharing differs in Chinese and Russian organisations. The final section suggests future research directions and outlines important managerial implications.

IN-GROUPS AND OUT-GROUPS

By introducing the notions of in-groups and out-groups Sumner (1906) set the stage for a long line of research on how group identification affects an individual’s perceptions of, as well as attitudes and behaviour toward, other people and groups. An in-group has been defined as a social group of which an individual is identifiably a member whereas an out-group is a social group to which this individual does not belong (Sumner, 1906). Out-groups are usually identified in reference to a specific in-group.

Graen et al. (1972) defined the concept of in-group and out-group membership in the context of a vertical dyad linkage model of leadership, in which an individual's relationship to a work group is largely a function of each member's association with an in-group or out-group, and group membership status depends upon an individual's relationship to the group's leader. Within vertical dyad linkage theory, leader-member relationships are classified into in-group and out-group categories (Tosi et al., 2000: 476). In in-groups, relationships between leaders and subordinates are close and participants note more positive orientation to the job, whereas in out-groups relationships, the subordinates are less involved in decision-making (Dienesch and Liden, 1986).

Moreover, the literature on intergroup conflict highlights changes in attitudes and behaviour between in- and out-groups when there is intergroup conflict (Feldman and Arnold, 1983). It has been suggested that four types of dynamics occur, including: substantial selective perception about one's own group and a systematic distortion of perceptions about the other groups; win-lose positioning (Filley, 1977); increased hostility toward the rival group (Levine and Campbell, 1972); and decreased interaction and communication between the groups, reinforcing negative stereotypes of other groups. Information passed between groups is very carefully rationed and sometimes deliberately distorted (Feldman and Arnold, 1983). A smaller body of literature has analysed in-groups and out-groups where there is no direct conflict. Bouwen (2001) referred to the in-group/out-group nature of departments within organisations and proffers that such distinctions can be manifest in power strife between such departments. Moreover, Granitz and Ward (2001) argued that individuals will be more likely to share ethical reasoning and moral intent with members of their in-group tending to overstate this sharing with in-group members and understate it with out-groups.

Triandis (1988) defined an in-group as a group of people who share common interests and have a concern for each other's welfare, and whose members may include family, distant relatives, co-workers, and members of political and/or religious groups to which an individual belongs. Tajfel (1982) suggested that individuals form in-groups based on mutual interests and common traits since they are most likely to receive reinforcement for such traits from similar others. In-group members view their long-term welfare in terms of the successes of the group (Earley, 1993). Importantly, Triandis (1988) argued that in-group membership is culturally variable. Earley (1989: 577) concluded that collectivists perform best in high shared-responsibility settings and gain satisfaction and feelings of accomplishment from group outcomes. In collectivist cultures, individuals feel a moral obligation towards their in-group and a

lack of interest in those that are considered as out-group. In these cultures the boundary between the individuals' in-group and other groups is very distinctive and salient (Iyengar et al., 1999) with strong trust felt in in-group others but weaker, or complete lack of, trust in out-group others (Chen et al., 2002). Earley (1993) reaffirmed that the performance of individualists who thought they were working in an in-group or out-group was lower than the performance of individualists working alone, whereas collectivists' performance was lower in an individual or out-group context than in an in-group context. Along with the culturally-based explanations of the importance of the distinction between in- and out-group members, Boisot and Child (1999: 246) have employed an institutionally-based argument and pointed out that the in-group becomes the mode of transaction for transition societies. These societies are a long way from "rule of law" states; they remain "rule of relationships" (Brady 1999: 187). Such a noted interplay between culture and institutions makes consideration of the in-group/out-group dimension of our research question particularly pertinent.

A COMPARATIVE EXAMINATION OF CHINA AND RUSSIA

China and Russia share a number of similarities but also have marked differences, as we have summarised in Table 1.

Insert Table 1 about here

China and Russia are both large countries with China's 1.3 billion people constituting 22% of the world's population while Russia has the largest territory in the world. Both are multiethnic states with heterogeneous populations dominated by a single group, Han Chinese and ethnic Russians, respectively. Both countries were great powers in the past and are important in terms of economic potential and military power at present. Both, and simultaneously, are undertaking pathways to capitalism. Both countries are becoming federal states and in each of them, some of the power that was once concentrated in the two capitals has dispersed to their regions. In post-Cold War China and Russia, nationalism is the one cause that seems capable of uniting the country and rallying support for its rulers (Mandelbaum, 1997). Both countries have key roles to play in establishing international stability. Not least, the rapid development in China and Russia has turned many of the widely-held views about transition into myths (Murrell, 2001).

Another important similarity between China and Russia is the lack of sufficient regulatory environments. Both countries have been ruled by the Communist Party for more than

fifty years, a time in which the Party placed itself (and, in the case of China, continues to place itself) above the law (Yergin and Gustafson, 1994; Chai, 1998). The lack of rule by law means that accessing external knowledge necessitates having in-group status with those who have knowledge. The lawlessness means that rules can be interpreted very differently according to one's position in society i.e. whether one has in-group status with the necessary authorities. The existing rules and regulations are easily violated and written contracts have little value. In the absence of well-developed legal and distribution systems, personal relationships are essential to getting anything done. Circumventing laws and directives is long-ingrained in Russia's political history and structures (McCarthy and Puffer, 2003). In China the cultivation of personal connections has proved a substitute for reliable government and established rule of law. In the absence of effective state institutions as regulators of transactions, personal networks and in-groups have been essential to doing business (Xin and Pearce, 1996). The importance of personal connections and informal influence in the Russian context has also been emphasised by a number of researchers (Berliner, 1988; Lawrence and Vlachoutsicos, 1990; Beamish, 1992, Puffer, 1994; Michailova and Worm, 2003). The insufficiency of the regulatory environment in China and Russia is substituted with dyad-based reciprocity within the boundaries of groups.

And yet, there are important differences between these two countries (Table 1). China is a rising superpower while Russia is struggling to capture its lost glory after having been a superpower for more than 50 years. Since 1978, China has been renowned as a success story for its implementation of economic reforms and consistent growth. Over the last decade the Chinese economy's share of global output has doubled to 4% (Business Week, May 2004) and China's GDP has grown at one of the highest rates in the world, with an average annual GDP growth rate exceeding 10% in the last two decades (World Bank, 2000). The country's share of world trade rose from less than 1% in 1979 to 5.5% in 2003 (Prasad and Rumbaugh, 2003: 46) and the new private sector has thrived. In sharp contrast, Russia has changed its position as the second largest economy in the world during Soviet times to the 12th largest at present. Russia's GDP growth rates are among the lowest in the world and the private sector has stagnated. Moreover, whereas China has a moderately low country risk level and provides high rates of expected returns, Russia's country risk throughout the 1990s was the highest in the world and expected rates of return offered by privatised manufacturing firms were low (Buck et al., 2000).

China and Russia have chosen very different paths to capitalism. China has adopted an incremental approach to market reforms. The shift from planning and administration of a socialist economy to the regulation of a market economy has been, and is, taking place as a large-scale

gradual change project carefully monitored and controlled by the central authorities. The Chinese reformers have maintained central planning and opted for a hybrid model that allows the coexistence of plan and market. The Russian approach has been very different. Following the recommendations by the International Monetary Fund, the World Bank, and the Harvard advisory teams, in 1992 Russia went for a shock therapy demanding immediate political and social reform. The economic aim was to rapidly replace the system of central planning with market-based mechanisms. The very meaning of the big bang approach was to destruct the centralised organisation of production and construct new market institutions.

As can be seen from the above comparative examination of China and Russia, a dynamic interplay exists between institutional and cultural factors. We acknowledge that, with respect to some issues, it is difficult to draw boundaries around what can be considered to be the result of a cultural influence and what is the outcome of an institutional influence. Institutions are crystallisations of culture, and culture is the substratum of institutional arrangements (Hofstede et al., 2002). In the case of transition countries, like China and Russia, it has also been argued that in the absence of well-functioning formal institutions, cultural influences take on greater importance (Boisot and Child, 1996; Peng and Luo, 2000) and dominate over economic ideologies (Ralston et al., 1997). Subscribing to this view, we now discuss national cultural attributes of China and Russia and develop theoretical propositions of how these similarities and differences influence knowledge sharing, particularly through the lens of the in-group/out-group distinction.

NATIONAL CULTURAL SIMILARITIES AND DIFFERENCES BETWEEN CHINA AND RUSSIA

Cultural theorists, such as Bond, Hofstede, Schwartz, Triandis, and others have focused largely on providing paradigmatic descriptions of national cultural values (although some also consider sub-national and organisational levels) and their manifestations (Franke et al., 2002). Their research has involved the development of national cultural dimensions (Hofstede, 2001), understanding of relationships between people (Trompenaars and Hampden-Tuner, 1997), and identification of shared patterns of subjective culture as cultural syndromes (Triandis, 2002). National culture influences a person's actions, either by the in-built values toward which the actions are oriented, or in shaping a repertoire of strategies of action favouring or discouraging certain patterns of action (Triandis, 1989; Hofstede, 2001). Underlying assumptions and basic principles are culturally relative and this contributes to making organisational practices differ

(Ronen and Shenkar, 1985; Erez and Earley, 1987; Hofstede, 2001).

A significant body of literature has explored key characteristics of Chinese culture (Bian and Ang, 1997; Guthrie, 1998; Boisot and Child, 1999; Wright et al., 2002; Yang, 2002) and Russian culture (Yergin and Gustafson, 1994; Puffer and McCarthy, 1995; Naumov, 1996; Puffer et al., 1997; Elenkov, 1998; McCarthy and Puffer, 2003). Although the above mentioned studies provide valuable insights into national cultural features specific in the Chinese and Russian context, there is only a limited amount of research that examines explicitly the interface between national culture and knowledge sharing. Knowledge sharing in the China context has been examined by, among others, Peterson et al. (1990), Smith et al. (1996), Tsang (2002) and Wang et al. (2001). Based on studying business managers in the U.S. and China, Chow et al. (2000) found that if private knowledge has no potential to damage the sharer's self-interests, there is no significant difference between U.S. and PRC nationals' willingness to share. However, when examining knowledge that could potentially damage the sharer's self-interests while benefiting the company, the Chinese respondents indicated a significantly higher propensity to share, thereby putting the interests of the collective ahead of their own. It was also found that the Chinese were significantly less inclined than were their U.S. counterparts to share information files with other employees not considered to be part of their in-group (Chow et al., 2000).

Recent research on management in Russia has indicated that Russians have a reticence to share knowledge and a tendency to work with those with whom they are familiar and to exclude those they consider outsiders (McCarthy and Puffer, 2003). This results in a situation in which people tend to guard knowledge which they view as being of harm or disadvantage. Elenkov (1998) argued that Russia's fairly high power distance, along with high uncertainty avoidance and minimal trust, predisposes minimal disclosure of company information that is crucial to effective corporate governance and knowledge sharing. In examining knowledge sharing in Russia, Michailova and Husted (2003) found that the potential value of knowledge sharing is often defeated by what they termed "knowledge-sharing hostility". They argued that knowledge hoarding is intensified in the context of many Russian organisations by two specific features. First, knowledge hoarding is a mechanism for coping with uncertainty and, second, knowledge hoarding is combined with a high respect for hierarchy and formal power. Similarly, the Not-Invented-Here syndrome is intensified in the Russian organisational context by two additional features, namely strong group affiliation and suspicion of out-group members (Michailova and Husted, 2003).

In order to advance research propositions that enable us to better understand knowledge sharing in the Chinese and Russian contexts, we have utilised the work of Hofstede (1980) and Triandis (1995, 1998). Hofstede's (1980) original research and its extensions (Hofstede, 1984, 1991, 2001) provide a framework for studying national cultural differences on five dimensions: power distance, uncertainty avoidance, individualism, masculinity and long term orientation. Despite being subject to some criticisms (McSweeney, 2002; Williamson, 2002), Hofstede's (2001) model is acknowledged to be the most comprehensive (Kogut and Singh, 1988) and cited (Chandy and Williams, 1994) national cultural framework. A number of successive studies have documented a validation of the scores characterising national cultural differences over time and in various settings (Shane and Venkataraman, 1996; Mouritzen and Svara, 2002).

A central cultural dimension and probably the most well established cultural construct is individualism-collectivism (IC). IC is viewed to be the major distinguishing characteristic of how various societies process and deal with information (Early and Gibson, 1998; Hofstede, 1980, 1991, 1994; Triandis, 1995, 1998; Bhagat et al., 2002) and therefore is particularly appropriate for developing our propositions on knowledge sharing. Parsons and Shils (1951) were the first to introduce IC to organisation theory using the terms self-orientation and collectivity-orientation. Kluckhohn and Strodtbeck (1961) used different terms, collaterality and individualism, as did Mead (1967) who referred to cooperation and individualism. In his 1980 study, Hofstede coined the terms individualism vs. collectivism.

Individualism-Collectivism and Universalism-Particularism

For the purposes of our analysis we follow the definition of IC as a cultural syndrome that represents a pattern of shared attitudes, values and beliefs around a particular theme (Triandis, 1996). Individualism refers to the relationship between individuals and the collectivity which prevails in a given culture. Triandis et al. (1988) introduced the ideocentrism-allocentrism dimension, along with IC, and concluded that whereas members of individualistic cultures tend to subscribe to ideocentric assumptions and beliefs focusing on individual orientation and performance, those from collectivist cultures are likely to hold allocentric ideas emphasising harmony and cooperation. In an extensive review of the literature on IC, Triandis (1995) summarises four key attributes of this continuum: conceptions of the self; goal relationships; relative importance of attitudes and norms and emphasis on relationships.

In individualistic nations, independence is highly valued and personal achievement is put before group interest. The self is an autonomous entity relatively independent of groups. By

contrast, in collectivist cultures, qualities such as interdependence, loyalty, solidarity, and identification with the in-group are strongly emphasised (Hofstede, 2001). Also, whereas individualists emphasise task achievement, even when it requires sacrificing relationships, collectivists are more oriented towards establishing and maintaining harmonious relationships, sometimes at the expense of task achievement (Kim et al., 1994).

Although neither China nor Russia were included in Hofstede's (1980) original IBM-based study of national cultural dimensions, Hofstede (with Bond and the Chinese Cultural Connection group) subsequently analysed China and other authors have explored Russia's positioning on Hofstede's dimensions (see, for instance, Elenkov, 1998). In Table 2 we provide important dimensions, along with identifying similarities and differences between the two countries on the basis of which we formulate the propositions that follow.

Insert Table 2 about here

China's high level of collectivism is documented in a number of earlier studies (Ho, 1976; Oh, 1976; Li, 1978) as well as in Hofstede's (2001) later study on national cultures. Family is a cornerstone of Chinese society with reciprocal obligations being limited not only to family and kinship but extended to non-kin ties in which people are expected to help each other as if they are fulfilling obligations to their family members (Bian and Ang, 1997). Moreover, in China, one's word is one's bond; to go against one's given word is to lose face which destroys not only an individual's reputation but also causes shame to their family and extended network (Sheer and Chen, 2003), which is very detrimental to an individual's position within their group. Individuals tend to prioritise the group interests higher than their own and make decisions that are personally detrimental if they benefit the collective. Loyalty is paramount as the society fosters strong relationships where everyone takes responsibility for fellow members of their group.

Russian culture is also considered to be collectivist (Bollinger, 1994; Holt et al., 1994; Garrison and Artemyev, 1994; Puffer, 1994; Shama, 1994). Russia has a centuries-long tradition with collectivism and paternalism, as well as a history of more than seven decades with official Soviet ideology that stressed unity and equality (Piirainen, 1997). Individualistic qualities and behaviours have been traditionally qualified as undesirable and consequently, suppressed. Self-accomplishment and personal achievements have been continuously associated with achieving the objectives of social collectivism (Holt et al., 1994). According to Vlachoutsicos and Lawrence (1990), Russian work groups have a keen sense of solidarity; they nourish a strong

sense of internal camaraderie and are cohesive and protective of collectivist norms. Ashwin's (1996) research found that Russian organisational members identify three distinct forms of collectivity: the symbolic collectivity of the enterprise as a whole; the collective identification of the ordinary workers; and, the collectivity of the immediate work group. Most importantly, she also highlights that in each case the collective is defined negatively in relation to the outside.

Bhagat et al. (2002) have added the dimension of horizontalness-verticalness to the more generic IC dimension in order to gain a deeper understanding of how knowledge is transferred and processed by representatives of different national cultures. These authors have examined the moderating role of vertical individualism, horizontal individualism, vertical collectivism and horizontal individualism on cross-border transfer of organisational knowledge. They pointed out that whereas people in individualist societies see information as independent of its context, collectivist cultures emphasise the context in each piece of information. In terms of putting knowledge into action, collectivists are defined as being more sensitive to context-specific information while individualists are more likely to focus on knowledge when it concerns personal attributes. Moreover, according to Bhagat et al. (2002), collectivists are likely to emphasise the significance of tacit information and knowledge which is in contrast with individualists' preferences for rational analyses based on codified written information. Finally, vertical cultures tend to process information and knowledge respecting hierarchical arrangements within organisations whereas horizontal cultures do not emphasise hierarchy in the process of organising knowledge and communication flows.

Both China and Russia are vertical collectivist cultures which suggests that people tend to think of themselves as different from other members of the in-group (Chen et al., 1997). Chinese and Russians focus on relationships created over long periods of time that are built on frequent exchanges rather than on sporadic and discrete in time exchanges favoured in more individualist societies. This is significant for knowledge sharing in that they will be much more likely to share knowledge when they have a long-term, in-group relationship established. Whereas in most individualistic cultures task relationships between managers and subordinates are separate from other dealings, in China and Russia interactions with others are viewed as part of a whole relationship. In China familial relationships are replicated in work situations with managers/bosses often being called "uncle" or "auntie" to demonstrate the level of respect they are accorded. Russian management culture, too, is characterised by a high degree of paternalism. Puffer (1996) traced the origins of this feature back to the 15th century and associated it with the need for strong paternalistic exchange relationships between the central power and the

subordinates when Russia was rebuilding after the Mongol invasion. When two individuals have a relationship or are in-group members, they know a great deal about the other individual's private life; there simply is not the sharp divide between public and private noted in individualist cultures.

In his dimensions of cultural valuing, Trompenaars (1997) categorised societies as being particularist or universalist, and ranked both China and Russia as highly particularist. In particularist societies decisions are not based on uniform rules, rather consideration is given to making particularist judgements focused on the exceptional nature of present circumstances. In particularist societies the thinking is "this person is not 'a citizen' but my friend, brother, husband, child or person of unique importance to me, with special claims on my love or my hatred. I must, therefore, sustain, protect or discount this person no matter what the rules say" (Trompenaars and Hampden-Turner, 1997). Members of particularistic societies such as Russia and China have a strong tendency to divide people into two categories: those they know and can trust and those who are strangers and who could be dangerous. In China's particularistic culture, people focus on the exceptionality of present circumstances and make their decisions based on acquaintance or lack of acquaintance with others. Rules are not as important as personal relations; indeed, individuals are not managers or representatives of remote institutions, but are of unique personal importance with special claims on emotional involvement (Michailova and Worm, 2003). According to Mikheyev (1987: 504), to Russians, lying, cheating, stealing, and, to an extent, even killing, by themselves have no positive or negative connotation: they have to be judged in terms of the particulars of the situation; they could be bad or good depending on the situation.

According to Bhagat et al. (2002: 213), while the broad context of collectivism facilitates knowledge transfer, the differences owing to horizontalness versus verticalness may impede such transfers. These authors concluded that particularistic norms, paternalistic practices, familism, and other nepotism-based practices that are found in some developing countries make it difficult to transfer knowledge to other cultural patterns. Given our unit of analysis and bringing into consideration the distinction between in-groups and out-groups in the Chinese and Russian transition societies, we propose:

Proposition 1: Vertical collectivism and particularistic social relations in China and Russia lead to intensive social relations among organisational members, which facilitate knowledge sharing between in-group members in the workplace.

And yet, there are important differences between China and Russia along the IC dimension. Both the origins and the essence of collectivism differ between the two countries. China's collectivism originates from Confucianism (Bian and Ang, 1997) which has influenced the country since the 5th Century BC. Chinese culture is deeply ingrained in the Confucian and Taoist philosophy and ethics, according to which self-cultivation, human dignity and respect are significant factors that influence human relations. Confucianism advocates a simple, natural and harmonious way of living and individual integrity. According to Graham and Lam (2003), four thick threads of culture have bound the Chinese people for some 5000 years: agrarianism, morality, pictographic language, and wariness of foreigners. Due to the interdependent relationships in an in-group in China, individuals are concerned about, and motivated to, save face for in-group members (Sheer and Chen, 2003). The in-group is the source of identity, protection, and loyalty, and in exchange for such loyalty, knowledge can be expected to be shared within the in-group and withheld from those considered to be "outsiders" (Littrell, 2002). Therefore, we propose:

Proposition 2: Chinese organisational members share knowledge with their in-groups presuming a group-interest motive in preserving the group's well-being and face.

Russia's collectivism has different origins. In Russia, strong collective instincts were born in the countryside in pre-revolutionary times. Long before the Soviet state, collective farming was encouraged by the Tsars because of their fear of anarchy. Ethics of the *obshina*, the commune of villagers, was embedded in the peasant psychology and often carried from the farm to the factory when peasants migrated to cities (Smith, 1990). People who belonged to the *obshina* lived together, worked at the fields together and were accustomed to a common fate. Russia's strong sense of commonality developed in the pre-revolutionary times and was easily detected in the socialist collectivist-autocratic culture in which there was no place for the individual and her/his own way of thinking and behaving (Garrison and Artemeyev, 1994). Russia's culture has been shaped under the strong influence of authoritarianism and orthodoxy. Although the group means a lot to Russians, there is an important difference as compared to China in that in Russia individuals strive to secure their dominant position in the group rather than being preoccupied with the group harmony. According to Mikheyev (1987), for Russians a struggle for domination within a group is the most natural thing in the world, and the essence of

human relations. The consideration of these particular features of Russian collectivism leads us to propose:

Proposition 3: Russian organisational members share knowledge with their in-groups presuming a self-interest motive to establish personal domination.

Another important difference along the IC dimension between China and Russia is the degree of collectivism. Ralston et al. (1997) have argued that Chinese are significantly more collectivist than Russians. Hofstede (2001) has estimated the individualism score for China to be 20. Chinese society has historically been preoccupied with collective action and de-emphasise and discourage personal goals and accomplishment (Oh, 1976; Li, 1978). It is not surprising that up until the 1990s in China, 85% to 90% of all businesses countrywide are collectively owned (Ralston et al., 1997). In the framework of Confucianism the individual is a social being whose identity is derived from her/his social network, e.g. the individual exists and is defined in relation to others. Therefore, Chinese always take into serious consideration what others think of them and expect from them. This has been perpetuated through, among others, the processes of family socialisation (Redding, 1990) as family constitutes the most important social unit in China. The five Confucian virtues (humaneness, justice, proper etiquette, wisdom and trustworthiness) are bound by the concept of harmony (Westwood, 1992), e.g. searching for the middle path instead of going to extremes and seeking compromise rather than entering conflicts. Chinese view their individual actions as an important contribution to their group's harmony and well-being. We therefore propose:

Proposition 4: China's Confucian-based collectivism leads to knowledge sharing being motivated by the preference for maintaining harmonious relationships in the in-group.

Elenkov (1998: 139) has estimated the individualism score for Russia to be 45, a score considerably higher than China. Both Hofstede (1993) and Ralston et al. (1997) placed Russia at a midpoint of the IC scale. According to Elenkov (1997: 102), a competitive orientation of thinking is an important part of Russian mentality. Ardichvili et al. (1998) noted the preference of Russian business people for making decisions individually, rather than collectively. Findings by Veiga et al. (1995) clearly indicated increasing individualism in Russia. Additionally, Giacobbe-Miller et al. (2003) concluded that in Russia managers in joint ventures and private-owned

companies are becoming increasingly individualistic. Holt et al. (1994: 135) pointed out that Russian managers place a high value on both conformity and self-determination, a rather unusual combination of collectivist and individualist characteristics. They interpreted this finding suggesting that Russians publicly behave in accordance with majority expectations while privately maintaining different opinions. In a different framework, Vlachoutsicos and Lawrence (1990) have noted the simultaneous existence and use of centralising and decentralising forms of leadership and decision making. These authors emphasised that in practice, the centralisation of one-person leadership and the decentralisation of collectivism are not impossible to reconcile. The acceptance of collective supremacy over individual goals characteristic for Russians is mixed with elitism, tendency to domination and pyramidal group structures (Mikheyev, 1987). Russians do strive for individual success; at the same time, it is difficult for most of them to avoid feeling guilty while working towards achieving their personal goals and ambitions (Jones and Moskoff, 1991; Puffer, 1994). On the basis of the above, we propose:

Proposition 5: Russia's increasing individualism reinforces Russians' knowledge-sharing behaviour being motivated by maximising personal gains.

CONCLUSIONS

In this paper we have examined the impact of national culture on knowledge-sharing in China and Russia, an issue not previously explored in detail in the literature. Our objective was to develop a set of theoretical arguments and propositions in relation to the impact of national culture on knowledge sharing in the context of these two major transition economies. We have undertaken a comparative analysis of the Chinese and Russian cultural attributes and have identified important similarities and differences between the two countries. We have analysed how these similarities and differences influence knowledge sharing in Chinese and Russian organisations. To this end, we introduced a group level of analysis as a link between the macro and the individual level. Our theoretical propositions were formulated from our research which found that the distinction between in-groups and out-groups has proved particularly important in the Chinese and Russian contexts. Moreover, within these parameters we also explored the interplay between individual knowledge-sharing behaviour and group membership.

Earlier research has documented that particularistic norms, paternalistic practices, familism, and other nepotistic practices hinder the transfer of knowledge to other cultural patterns. However, as we have argued the distinction between in-groups and out-groups is of

decisive importance in the Chinese and Russian context. We conclude that in the case of China and Russia, vertical individualism and particularist social relations facilitate knowledge sharing within the boundaries of in-groups.

We have also demonstrated that there are important differences between China and Russia in terms of origins of, and degrees of, collectivism and that these differences impact on knowledge sharing in organisations. We proposed that Chinese organisational members share knowledge with their in-groups presuming a group-interest motive in preserving the group's well-being and face whereas Russian organisational members share knowledge with their in-groups presuming a self-interest motive to establish personal domination. Additionally, we argued that although both China and Russia are collectivist cultures, the level of collectivism in China is considerably higher than in Russia. We concluded that Russian national culture is becoming more individualistic and on this basis we proposed that increasing individualism reinforces Russians' knowledge-sharing behaviour as being determined by maximisation of personal gains. We suggested that China differs in this regard and argued that China's Confucian-based collectivism leads to knowledge sharing being facilitated by preferences for maintaining harmonious relationships in in-groups.

Directions for future research

While we acknowledge that there are other influences that could be considered in a discussion of knowledge sharing in China and Russia (such as labour market developments, technological developments, federalisation, privatisation), we contend that it is cultural issues that have most application to a discussion of knowledge sharing.

In this paper we addressed gaps in previous research on knowledge sharing, yet our interpretations are still subject to certain limitations. We focused on the national cultural level when discussing cultural influences on knowledge sharing. This is not to suggest, however, that we negate the existence of sub-cultures within national culture or, like Hofstede (2001) that we are working from averaged responses from national groupings. Additionally, we have focused on IC as one dimension of cultural differences across countries. We have not analysed other cultural dimensions, such as power distance, uncertainty avoidance, masculinity-femininity and long term-short term orientation (Hofstede, 2001) although they may have direct impact on knowledge-sharing in groups and organisations. For instance, both China and Russia exhibit a high power distance index. Previous research has documented that high collectivism combined with high power distance results in a very strong propensity to resist change (Kirkman and

Shapiro, 1997) and, one may speculate, also a strong propensity to share knowledge. It would, therefore, be valuable to study couplings between various cultural dimensions in an effort to investigate their influences on knowledge sharing.

In extending Hofstede's (1984) cross-cultural research, some theorists have suggested that within particular cultures there can be qualitatively different values (Wagner and Moch, 1986) and motives (Shamir, 1990). For the purposes of our analysis we have considered China and Russia as homogeneous settings. However, in reality each of these countries is very diverse. To our knowledge, no research has been conducted studying how qualitatively different values within the same culture are interrelated with knowledge sharing in groups and organisations. This is an area deserving attention and requiring both conceptual and empirical work. Such studies will potentially provoke credible alternative explanations of, for instance, the high failure rate of international strategic alliances in these countries.

It would be also highly desirable that future research generates empirical data, both qualitative and quantitative, that investigates the interplay between culture and knowledge sharing. Additionally, future research could examine other transition economies (such as the societies in Central and Eastern Europe). In so doing, researchers might examine whether these countries' geographical proximity to Western Europe, and their earlier shift to international political and economic institutions, has resulted in organisational cultures in which there is a greater propensity to share knowledge.

Managerial implications

Our study provides important insights particularly for international businesses that currently have, or seek to establish, subsidiary operations in China or Russia. While there are lessons to be drawn from this research that have equal application to China and Russia, international managers should also be careful not to assume that because both countries share a Communist heritage that they will demonstrate exactly the same approaches to knowledge sharing. Indeed, as we have demonstrated there are important institutional and cultural differences between the two countries that must be realised and accommodated when trying to establish and cultivate a knowledge-sharing climate in Chinese and Russian organisations.

In the absence of a fully developed regulatory environment in both China and Russia, interpersonal connections became, and remain, integral to the conduct of business. Moreover, the repercussions of sharing information and knowledge that may potentially have been regarded as politically sensitive meant that both Chinese and Russians learnt to keep knowledge strictly

within trusted in-groups and to protect the members within from out-groups, and in some cases, strong hostility was expressed towards out-group members. Accordingly, international managers need to invest time and resources in establishing organisational cultures with high levels of trust so individuals and groups will feel “safe” in their discussions with others.

As vertical collectivism and particularism in China and Russia lead to more intensive sharing of knowledge amongst in-group members, international managers should be careful not to unilaterally introduce work teams without having considered the in-group/out-group configuration in the respective organisation. Rather, international managers should respect and work with the existing in-groups while in the process of building intra-organisational knowledge sharing. Departmental managers may also be utilised as intermediaries to build connections within organisations. Importantly, international managers should recognise that Chinese and Russians have different rationales for in-group knowledge sharing with the Chinese collectivist orientation manifest in preserving the group’s well-being and harmony while Russians’ increasing individualism demonstrates employees’ concern for personal domination and gains. As such, international managers may consider providing group-based incentives for knowledge sharing in China but individual status recognition in Russia. Finally, rather than being opposed to pre-existing relationships, international managers should make use of such in-group tendencies in relying on the personal recommendations of existing employees.

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Table 1: China and Russia in comparison

CHINA	RUSSIA
Similarities	
Large countries	
1.3 billion people	Largest territory in the world
Multinational states with heterogeneous populations dominated by a single ethnic group	
Han Chinese	Ethnic Russians
Historically great powers	
Ruled by the Communist party for more than 50 years	
Nationalism: an important feature of national identity	
Currently important economically and militarily	
Key roles to play in establishing international stability	
In the process of becoming federal states	
Laws and procedures are not important; lack of general reciprocity in the society	
Cultivation of personal relationships and networks (in-groups) is highly important for substituting the lack of general reciprocity; nurturing dyadic reciprocity	
Differences	
Rising superpower	Former power
Among the highest GDP growth rates internationally	Among the lowest GDP growth rates internationally
Low country risk level	Very high country risk level
Quiet revolution	Shock therapy
Hybrid economy (coexistence of plan and market)	Market economy

Table 2: China and Russia: Similarities and differences in cultural attributes

CHINA		RUSSIA
National culture (IC and universalism/particularism): Similarities		
Individualism vs. collectivism	Collectivist cultures	
Horizontal vs. vertical collectivism	Vertical collectivist cultures	
Universalism vs. particularism	Highly particularist cultures	
National culture (IC): Differences		
Origin of collectivism	Confucian tradition and philosophy	Pre-revolutionary developments; authoritarianism and orthodoxy
Level of collectivism	High Individualism score: 20 (Hofstede, 2001)	High, but lower than in China. Individualism score: 45 (Elenkov, 1998). Increasing individualism

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